

# How Will the State Budget Affect CUSD?

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Carpinteria Valley Chamber of Commerce  
Business Advocacy Roundtable

June 14, 2011

# A Brief History of School Funding

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- Prior to 1973, schools were funded locally, by property taxes
  - Large variations in per pupil funding from one district to another
- Serrano vs. Priest decision
  - Result was an attempt to equalize funding for all students
  - Established base revenue limit funding per student
- Proposition 13 passed 1978
  - Slashed property tax revenues by 60%
  - State had to fund loss of revenues to schools

**School funding now dependent on state economy**

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# History of State Expenditures by Area

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Dollars in Billions			
	1998-1999	2010-2011	% Increase
K-14 Education	\$35.2	\$49.7	41%
Higher Education	\$4.4	\$7.4	57%
Natural Resources	\$1.2	\$2.0	67%
Health and Human Services	\$15.3	\$27.0	76%
Corrections	\$4.4	\$9.3	111%
General Fund Revenues	\$57.3	\$94.1	64%

**K-14 Education increased less than any other area of the state budget**

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# K-12 Education Took Biggest Cuts

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Dollars in Billions					
	2007-08	2008-09	2009-10	2010-11	% Change
K-12 Education	\$42.5	\$35.5	\$34.6	\$36.3	-14.5%
Higher Education	\$11.8	\$11.7	\$10.6	\$11.6	-1.4%
Health and Human Services	\$29.7	\$30.9	\$25.0	\$27.0	-9.3%
Corrections and Rehabilitation	\$10.2	\$10.3	\$8.2	\$9.3	-9.0%
Natural Resources	\$1.9	\$2.0	\$1.9	\$2.0	8.3%

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# How Has Reduced State Funding Affected CUSD?

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- ❑ We are beginning our 4<sup>th</sup> year of cuts in state funding
  - ❑ Cuts mitigated by federal stimulus funds, now expiring
  - ❑ Goal of Governing Board is to maintain healthy reserves, maintain programs for students – over last 3 years:
    - Increased class sizes grades K-3 in 2009-10
    - Eliminated summer school for grades 1-8
    - Reduced maintenance projects for facilities
    - Eliminated student transfers into the district
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# Governor's Budget Proposals

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- ❑ Overall state budget deficit of over \$25 billion for 2010-11 and 2011-12
  - ❑ \$11 billion in cuts enacted in March
  - ❑ Improved state revenues per "May Revise"- \$6B
  - ❑ No additional cuts to K-12 education
  - ❑ Still a deficit of over \$9 billion to close
  - ❑ Continues to pursue extension of taxes for voter approval
    - Missed June election timetable
    - Fall election?
    - Bridge extension of taxes?
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# Impact on 2011-12 CUSD Budget

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- ❑ As a “basic aid” district, CUSD received “Fair Share” cut of \$1,265,000 in March
  - ❑ Board has approved \$1.1 million in cuts for 2011-12 so far
    - Textbooks, counselor, custodian, supplies, overtime costs, health insurance, maintenance
  - ❑ Plans for additional reductions totaling \$500,000:
    - K-3 Class-size Reduction
    - Zero and 7<sup>th</sup> periods at Carpinteria Middle School (CMS)
    - Music teacher at CMS
  - ❑ Outcome of state budget is unknown; yet CUSD must adopt budget by June 30
  - ❑ Without tax extensions, education funding could be cut further
    - Worst case scenario for CUSD would be an additional cut of over \$1,000,000 in addition to the “fair share” cut already enacted
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# For Additional Information...

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See our website: [www.cusd.net](http://www.cusd.net)

Superintendent/Budget update, June 8

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